A

Circular Letter

FROM THE

CONGRESS

OF THE

United States of America

TO THEIR

CONSTITUENTS.

PHILADELPHIA: Printed September, 1779.

BOSTON: Re-printed by Order of the General Assembly of the State of Massachusetts-Bay.

State of *Maſſachuſetts-Bay.*

In the Houſe of Repreſentatives, *Oct.* 2, 1779.

RESOLVED, That the Circular Letter received from the Honorable Continental Congreſs be printed in Pamphlets and ſent to the ſeveral Miniſters of the Goſpel in the Towns and Pariſhes within this State; and the ſaid Miniſters are hereby requeſted to read the ſame to their reſpective religious Aſſemblies the firſt Sabbath after receiving the ſame, immediately after Divine Service.

Sent up for Concurrence,

JOHN HANCOCK, Speaker.

In COUNCIL, October 2, 1779.

READ and concurred.

JOHN AVERY, Dep. Sec'ry.

Conſented to by the Major Part of the Council.

Atteſt. JOHN AVERY, Dep. Sec'ry.

A Circular Letter, &c.

FRIENDS AND FELLOW CITIZENS!

IN Governments raiſed on the generous principles of equal liberty, where the rulers of the ſtate are the ſervants of the people, and not the maſters of thoſe from whom they derive authority: it is their duty to inform their fellow citizens of the ſtate of their affairs, and by evincing the propriety of public meaſures, lead them to unite the influence of inclination to the force of legal obligation in rendering them ſucceſsful. This duty ceaſes not, even in times of the moſt perfect peace, order and tranquility, when the ſafety of the commonweath is neither endangered by force or ſeduction from abroad, or by faction, treachery, or miſguided ambition from within. At this ſeaſon, therefore, we find ourſelves in a particular manner impreſſed with a ſenſe of it, and can no longer forbear calling your attention to a ſubject much miſrepreſented, and reſpecting which dangerous as well as erroneous opinions have been held and propagated; we mean your finances.

The ungrateful deſpotiſm and inordinate luſt of domination which marked the unnatural deſigns of the Britiſh King and his venal Parliament to inſlave the people of America, reduced you to the neceſſity of either aſſerting your rights by arms, or ingloriouſly paſſing under the yoke. You nobly preferred war.——Armies were then to be raiſed, paid and ſupplied: Money became neceſſary for theſe purpoſes. Of your own there was but little; and of no nation in the world could you then borrow. The little that was ſpread among you could be collected only by taxes, and to this end regular governments were eſſential;

—of

—of theſe you were alſo deſtitute. So circumſtanced, you had no other reſource but the natural value and wealth of your fertile country. Bills were iſſued on the credit of this bank, and your faith was pledged for their redemption. After a conſiderable number of theſe had circulated, loans were ſolicited, and offices for the purpoſe eſtabliſhed. Thus a national debt was unavoidably created, and the amount of it is as follows:

	Dollars.
Bills emitted and circulating,	159 948,880
Monies borrowed before the 1ſt of March 1778, the intereſt of which is payable in France,	7,545,196 67·90
Monies borrowed ſince the 1ſt of March 1778, the intereſt of which is payable here,	26,.88,909
Money due abroad, not exactly known——the balances not having been tranſmitted, ſuppoſed to be about	4,000,000

For your further ſatisfaction we ſhall order a particular account of the ſeveral emiſſions, with the times limited for their redemption, and alſo of the ſeveral loans, the intereſt allowed on each, and the terms aſſigned for their payment, to be prepared and publiſhed.

The taxes have as yet brought into the treaſury no more than 3,027,560, ſo that all the monies ſupplied to Congreſs by the people of America, amount to no more than 36,761,665 dollars and 67 90ths, that being the ſum of the loans and taxes received. Judge then of the neceſſity of emiſſions, and learn from whom and from whence that neceſſity aroſe.

We are alſo to inform you, that on the firſt day of September inſtant we reſolved "that we would on no account "whatever emit more bills of credit than to make the "whole amount of ſuch bills two hundred millions of "dollars, and as the ſum emitted and in circulation "amounted to 159,948,880 dollars, and the ſum of "40,051,120 dollars remained to compleat the two hun-"dred million above mentioned; we on the third day of

"September

of September inſtant further reſolved, that we would emit "ſuch part only of the ſaid ſum of 40,051,120 dollars as "ſhould be abſolutely neceſſary for public exigencies "before adequate ſupplies could otherwiſe be obtained, "relying for ſuch ſupplies on the exertions of the ſeveral "ſtates."

Excluſive of the great and ordinary expences incident to the war, the depreciation of the currency has ſo ſwelled the prices of every neceſſary article, and of conſequence made ſuch additions to the uſual amount of expenditures, that very conſiderable ſupplies muſt be immediately provided by loans and taxes; and we unanimouſly declare it to be eſſential to the welfare of theſe ſtates that the taxes already called for be paid into the continental treaſury by the time recommended for that purpoſe. It is alſo highly proper that you ſhould extend your views beyond that period, and prepare in ſeaſon as well for bringing your reſpective quotas of troops into the field early the next campaign, as for providing the ſupplies neceſſary in the courſe of it. We ſhall take care to apprize you from time to time of the ſtate of the treaſury, and to recommend the proper meaſures for ſupplying it. To keep your battalions full, to encourage loans and to aſſeſs your taxes with prudence, collect them with firmneſs, and pay them with punctuality, is all that will be requiſite on your part. Further ways and means of providing for the public exigencies are now under conſideration, and will ſoon be laid before you.

Having thus given you a ſhort and plain ſtate of your debt, and pointed out the neceſſity of punctuality in furniſhing the ſupplies already required, we ſhall proceed to make a few remarks on the depreciation of the currency, to which we entreat your attention.

The depreciation of bills of credit is always either natural or artificial, or both. The latter is our caſe. The moment the ſum in circulation exceeded what was neceſſary as a medium in commerce, it began and continued to depreciate in proportion as the amount of the ſurplus encreaſed and that proportion would hold good until the ſum emitted ſhould become ſo great as nearly to equal the

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value of the capital or ſtock, on the credit of which the bills were iſſued. Suppoſing, therefore, that 30,000,000 was neceſſary for a circulating medium, and that 160,000,000 had iſſued, the natural depreciation is but little more than as five to one; But the actual depreciation exceeds that proportion, and that exceſs is artificial. The natural depreciation is to be removed only by leſſening the quantity of money in circulation. It will regain its primitive value whenever it ſhall be reduced to the ſum neceſſary for a medium of commerce. This is only to be effected by loans and taxes.

The artificial depreciation is a more ſerious ſubject, and merits minute inveſtigation. A diſtruſt (however occaſioned) entertained by the maſs of the people either in the *ability* or *inclination* of the United States to redeem their bills is the cauſe of it. Let us enquire how far reaſon will juſtify a diſtruſt in the *ability* of the United States.

The ability of the United States muſt depend on two things: Firſt, the ſucceſs of the preſent revolution, and ſecondly, on the ſufficiency of the natural wealth, value and reſources of the country.

That the time has been when honeſt men might, without being chargeable with timidity, have doubted the ſucceſs of the preſent revolution, we admit; but that period is paſſed. The independence of America is now as fixed as fate, and the petulant efforts of Britain to break it down are as vain and fruitleſs as the raging of the waves which beat againſt their clifts. Let thoſe who are ſtill afflicted with theſe doubts conſider the character and condition of our enemies. Let them remember that we are contending againſt a kingdom crumbling into pieces; a nation without public virtue; and a people ſold to and betrayed by their own repreſentatives; againſt a Prince governed by his paſſions and a Miniſtry without confidence or wiſdom; againſt armies half paid and generals half truſted; againſt a government equal only to plans of plunder, conflagration and murder—a government by the moſt impious violations of the rights of religion, juſtice, humanity and mankind, courting the vengeance of Heaven and revolting from the protection of Providence. Againſt the

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fury of theſe enemies you made ſucceſsful reſiſtance, when ſingle, alone, and friendleſs, in the days of weakneſs and infancy, before your hands had been taught to war or your fingers to fight. And can there be any reaſon to apprehend that the Divine Diſpoſer of human events, after having ſeparated us from the houſe of bondage, and led us ſafe through a ſea of blood, towards the land of liberty and promiſe, will leave the work of our political redemption unfiniſhed, and either permit us to periſh in a wilderneſs of difficulties, or ſuffer us to be carried back in chains to that country of oppreſſion, from whoſe tyranny he hath mercifully delivered us with a ſtretched-out arm?

In cloſe alliance with one of the moſt powerful nations in Europe which has generouſly made our cauſe her own, in amity with many others, and enjoying the good will of all, what danger have we to fear from Britain? Inſtead of acquiring acceſſions of territory by conqueſt, the limits of her empire daily contract: Her fleets no longer rule the ocean, nor are her armies invincible by land. How many of her ſtandards, wreſted from the hands of her champions, are among your trophies, and have graced the triumphs of your troops? And how great is the number of thoſe, who, ſent to bind you in fetters, have become your captives, and received their lives from your hands? In ſhort, whoever conſiders that theſe ſtates are daily encreaſing in power, that their armies have become veteran; that their governments, founded in freedom, are eſtabliſhed; that their fertile country and their affectionate ally furniſh them with ample ſupplies; that the Spaniſh monarch, well prepared for war, with fleets and armies ready for combat, and a treaſury overflowing with wealth, has entered the liſts againſt Britain; that the other European nations, often inſulted by her pride, and alarmed by the ſtrides of her ambition, have left her to her fate: That Ireland, wearied with her oppreſſions, is panting for liberty, and even Scotland diſpleaſed and uneaſy at her edicts:—Whoever conſiders theſe things, inſtead of doubting the iſſue of the war, will rejoice in the glorious, the ſure and certain proſpect of ſucceſs.

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This point being eſtabliſhed, the next queſtion is whether the natural wealth, value and reſources of the country will be equal to the payment of the debt?

Let us ſuppoſe for the ſake of argument, that at the concluſion of the war, the emiſſions ſhould amount to 200,000,000, that excluſive of ſupplies from taxes, which will not be inconſiderable, the loans ſhould amount to 100,000,000, then the whole national debt of the United States would be 300,000,000. There are at preſent 3,000,000 of inhabitants in the thirteen ſtates: three hundred million of dollars divided among three million of people would give to each perſon one hundred dollars; and is there an individual in America unable in the courſe of eighteen or twenty years to pay it again? Suppoſe the whole debt aſſeſſed, as it ought to be, on the inhabitants in proportion to their reſpective eſtates, what would then be the ſhare of the poorer people? Perhaps not ten dollars. Beſides, as this debt will not be payable immediately, but probably twenty years allotted for it, the number of inhabitants by that time in America will be far more than double their preſent amount. It is well known that the Inhabitants of this country encreaſed almoſt in the ratio of compound intereſt. By natural population they doubled every twenty years, and how great may be the hoſt of emigrants from other countries cannot be aſcertained. We have the higheſt reaſon to believe the number will be immenſe. Suppoſe that only ten thouſand ſhould arrive the firſt year after the war, what will thoſe ten thouſand with their families count in twenty years time?—probably double the number. This obſervation applies with proportionable force to the emigrants of every ſucceſſive year. Thus you ſee great part of your debt will be payable not meerly by the preſent number of inhabitants, but by that number ſwelled and encreaſed by the natural population of the preſent inhabitants, by multitudes of emigrants daily arriving from other countries, and by the natural population of thoſe ſucceſſive emigrants, ſo that every perſon's ſhare of the debt will be conſtantly diminiſhing by others coming in to pay a proportion of it.

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These are advantages which none but young countries enjoy. The number of inhabitants of every country in Europe remains nearly the same from one century to another. No country will produce more people than it can subsist, and every country, if free and cultivated, will produce as many as it can maintain. Hence we may form some idea of the future population of these States. Extensive wildernesses, now scarcely known or explored, remain yet to be cultivated, and vast lakes and rivers, whose waters have for ages rolled in silence and obscurity to the ocean, are yet to hear the din of industry, become subservient to commerce, and boast delightful villas, gilded spires and spacious cities rising on their banks.

Thus much for the number of persons to pay the debt. The next point is their *ability*. They who enquire how many millions of acres are contained only in the settled part of North America, and how much each acre is worth, will acquire very enlarged and yet very inadequate ideas of the value of this country. But those who will carry their enquiries further, and learn that we heretofore paid an annual tax to Britain of three millions sterling in the way of trade, and still grew rich; that our commerce was then confined to her; that we were obliged to carry our commodities to her market, and consequently to sell them at her price: that we were compelled to purchase foreign commodities at her stores, and on her terms, and were forbid to establish any manufactories incompatable with her views of gain; that in future the whole world will be open to us, and we shall be at liberty to purchase from those who will sell on the best terms, and to sell to those who will give the best prices; that as the country encreases in number of inhabitants and cultivation, the productions of the earth will be proportionably encreased, and the riches of the whole proportionably greater: Whoever examines the force of these and similar observations, must smile at the ignorance of those who doubt the ability of the United States to redeem their bills.

Let it also be remembered that paper money is the only kind of money which cannot "make unto itself wings and fly away." It remains with us, it will not forsake us, it is always ready and at hand for the purpose of

commerce or taxes, and every industrious man can find it. On the contrary, should [illegible] like Nineveh (and for the same reason) yet find [illegible] and escape the storm ready to burst upon her, the [illegible] find her national debt in a very different situation. Her territory diminished, her people wasted, her commerce ruined, her monopolies gone, she must provide for the discharge of her immense debt by taxes to be paid in specie, in gold or silver perhaps now buried in the mines of Mexico or Peru, or still concealed in the brooks and rivulets of Africa or Indostan.

Having shewn that there is no reason to doubt the ability of the United States to pay their debt, let us next enquire whether as much can be said for their inclination.

Under this head three things are to be attended to:

1st. Whether and in what manner the faith of the United States has been pledged for the redemption of their bills.

2d. Whether they have put themselves in a political capacity to redeem them,—and

3d. Whether admitting the two former propositions, there is any reason to apprehend a wanton violation of the public faith.

1st. It must be evident to every man who reads the journals of Congress, or looks at the face of one of their bills, that Congress have pledged the faith of their constituents for the redemption of them. And it must be equally evident, not only that they had authority to do so, but that their constituents have actually ratified their acts, by receiving their bills, passing laws, establishing their currency, and punishing those who counterfeit them. So that it may with truth be said that the people have pledged their faith for the redemption of them not only collectively by their representatives but individually.

2d. Whether the United States have put themselves in a political capacity to redeem their bills, is a question which calls for more full discussion.

Our enemies, as well foreign as domestic, have laboured to raise doubts on this head. They argue that the confederation of the States remains yet to be perfected: that the union may be dissolved; Congress be abolished, and each State returning to delegated powers proceed in future to hold and exercise all the rights of sovereignty ap-

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pertaining to an independent State. In such an event, say they, the continental bills of credit, created and supported by the union, would die with it. This position being assumed, they next proceed to assert this event to be probable, and in proof of it urge our divisions, our parties, our seperate interests, distinct manners, former prejudices, and many other arguments equally plausible and equally fallacious. Examine this matter.

For every purpose essential to the defence of these States in the progress of the present war, and necessary to the attainment of the objects of it, these States now are as fully, legally and absolutely confederated, as it is possible for them to be. Read the credentials of the different delegates who composed the Congress in 1774, 1775, and part of 1776. You will find that they establish an union for the express purpose of opposing the oppressions of Britain and obtaining redress of grievances. On the 4th of July 1776, your representatives in Congress, perceiving, that nothing less than unconditional submission would satisfy our enemies, did in the name of the people of the Thirteen United Colonies declare them to be free and independent States, and "for the SUPPORT of that declaration, with "a firm reliance on the protection of Divine Providence, "did mutually pledge to each other their LIVES, their "FORTUNES and their SACRED HONOUR." Was ever confederation more formal, more solemn and explicit? It has been expresly assented to and ratified by every State in the union.---Accordingly, for the direct SUPPORT of this declaration, that is for the support of the independence of these States, armies have been raised, and bills of credit emitted and loans made to pay and supply them. The redemption therefore of these bills, the payment of these debts, and the settlement of the accounts of the several States for expenditures or services for the common benefit and in this common cause, are among the objects of this confederation; and consequently while all or any of its objects remain unattained, it cannot, so far as it may respect such objects, be dissolved, consistent with the laws of God or Man.

But we are persuaded, and our enemies will find, that our union is not to end here. They are mistaken when they suppose us kept together only by a sense of present

danger

danger. It is a fact which they only will diſpute, that the people of theſe States were never ſo cordially united as at this day. By having been obliged to mix with each other, former prejudices have worn off, and their ſeveral manners become blended. A ſenſe of common permanent intereſt, mutual affection (having been brethren in affliction,) the ties of conſanguinity daily extending, conſtant reciprocity of good offices, ſimilarity in language, in governments, and therefore in manners, the importance, weight and ſplendor of the union, all conſpire in forming a ſtrong chain of connection, which muſt forever bind us together. The United Provinces of the Netherlands, and the United Cantons of Switzerland, became free and independent under circumſtances very like ours; their independence has been long eſtabliſhed, and yet their confederacies continue in full vigour. What reaſon can be aſſigned why our union ſhould be leſs laſting! or why ſhould the people of theſe States be ſuppoſed leſs wiſe than the inhabitants of thoſe! You are not uninformed that a plan for a perpetual confederation has been prepared, and that twelve of the thirteen States have already acceded to it. But enough has been ſaid to ſhew that for every purpoſe of the preſent war, and all things incident to it, there does at preſent exiſt a perfect ſolemn confederation, and therefore that the States now are and always will be in political capacity to redeem their bills, pay their debts, and ſettle their accounts.

3d. Whether, admitting the ability and political capacity of the United States to redeem their bills, there is any reaſon to apprehend a violation of the public faith?

It is with great regret and reluctance that we can prevail upon ourſelves to take the leaſt notice of a queſtion which involves in it a doubt ſo injurious to the honor and dignity of America.

The enemy, aware that the ſtrength of America lay in the union of her citizens, and the wiſdom and integrity of thoſe to whom they committed the direction of their affairs, have taken unwearied pains to diſunite and alarm the people, to depreciate the abilities and virtue of their rulers, and to impair the confidence repoſed in them by their conſtituents. To this end repeated attempts have been made to draw an abſurd and fanciful line of diſtinction between the Congreſs and the People, and to create an opinion

nion and a belief that their intereſts and views were differ-ent and oppoſed. Hence the ridiculous tales, the invi-dious inſinuations, and the whimſical ſuſpicions that have been forged and propogated by diſguiſed emiſſaries and traitors in the garb of patriots. Hence has proceeded the notable diſcovery that as the Congreſs made the money they alſo can deſtroy it; and that it will exiſt no longer than they find it convenient to permit it. It is not ſur-priſing that in a free country, where the tongues and pens of ſuch people are and muſt be licenced, ſuch politi-cal herieſies ſhould be inculcated and diffuſed, but it is re-ally aſtoniſhing that the mind of a ſingle virtuous citizen in America ſhould be influenced by them. It certainly cannot be neceſſary to remind you that your repreſenta-tives here are choſen from among yourſelves; that you are or ought to be acquainted with their ſeveral charac-ters; that they are ſent here to ſpeak your ſentiments, and that it is conſtantly in your power to remove ſuch as do not. You ſurely are convinced that it is no more in their power to annihilate your money than your independence, and that any act of theirs for either of thoſe purpoſes would be null and void.

We ſhould pay an ill compliment to the underſtanding and honor of every true American, were we to adduce many arguments to ſhew the baſeneſs or bad policy of violating our national faith, or omitting to purſue the meaſures neceſſary to preſerve it. A bankrupt faith-leſs republic would be a novelty in the political world, and appear among reputable nations like a com-mon proſtitute among chaſte and reſpectable matrons. The pride of America revolts from the idea; her citizens know for what purpoſes theſe emiſſions were made, and have repeatedly plighted their faith for the redemption of them; they are to be found in every man's poſſeſſion, and every man is intereſted in their being redeemed; they muſt therefore entertain a high opinion of American credulity, who ſuppoſe the people capable of believing, on due reflection, that all America will, againſt the faith, the honor and the intereſt of all America, be ever prevail-ed upon to countenance, ſupport or permit ſo ruinous, ſo diſgraceful a meaſure. We are convinced that the efforts and arts of our enemies will not be wanting to draw us

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into this humiliating and contemptible ſituation. Impelled by malice, and the ſuggeſtions of chagrin and diſappointment at not being able to bend our necks to their yoke, they will endeavor to force or ſeduce us to commit this unpardonable ſin, in order to ſubject us to the puniſhment due to it, and that we may thenceforth be a reproach and a by-word among the nations. Apprized of theſe conſequences, knowing the value of national character, and impreſſed with a due ſenſe of the immutable laws of juſtice and honor, it is impoſſible that America ſhould think without horror of ſuch an execrable deed.

If then neither our ability or inclination to diſcharge the public debt, are juſtly queſtionable, let our conduct correſpond with this confidence, and let us reſcue our credit from its preſent imputations. Had the attention of America to this object been unremitted, had taxes been ſeaſonably impoſed and collected, had proper loans been made, had laws been paſſed and executed for puniſhing thoſe who maliciouſly endeavored to injure the public credit; had theſe and many other things equally neceſſary been done, and had our currency, notwithſtanding all theſe efforts, declined to its preſent degree of depreciation, our caſe would indeed have been deplorable. But as theſe exertions have not been made, we may yet experience the good effects which naturally reſult from them. Our former negligences therefore ſhould now animate us with hope, and teach us not to diſpair of removing by vigilance and application the evils which ſupineneſs and inattention have produced.

It has been already obſerved that in order to prevent the further natural depreciation of our bills we have reſolved to ſtop the preſs, and to call upon you for ſupplies by loans and taxes. You are in capacity to afford them, and are bound by the ſtrongeſt ties to do it. Leave us not therefore without ſupplies, nor let in that flood of evils which would follow from ſuch a neglect. It would be an event moſt grateful to our enemies, and depend upon it they will redouble their artifices and induſtry to compaſs it. Be therefore upon your guard, and examine well the policy of every meaſure and the evidence of every report that may be propoſed or mentioned to you before you adopt the one or believe the other. Recollect

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that it is the price of the liberty, the peace and the ſafety of yourſelves and poſterity, that now is required;—*that* peace, liberty and ſafety, for the attainment and ſecurity of which you have ſo often and ſo ſolemnly declared your readineſs to ſacrifice your lives and fortunes. The war, tho' drawing faſt to a ſucceſsful iſſue, ſtill rages. Diſdain to leave the whole buſineſs of your defence to your Ally. Be mindful that the brighteſt proſpects may be clouded, and that prudence bids us be prepared for every event. Provide therefore for continuing your armies in the field till victory and peace ſhall lead them home, and avoid the reproach of permitting the currency to depreciate in your hands, when by yielding a part to taxes and loans, the whole might have been appreciated and preſerved. Humanity as well as juſtice makes this demand upon you, the complaints of ruined widows, and the cries of fatherleſs children, whoſe whole ſupport has been placed in your hands and melted away, have doubtleſs reached you—take care that they aſcend no higher. Rouſe therefore; ſtrive who ſhall do moſt for his country; re-kindle that flame of patriotiſm which at the mention of diſgrace and ſlavery blazed throughout *America*, and animated all her citizens. Determine to finiſh the conteſt as you began it, honeſtly and glorioully.—Let it never be ſaid that America had no ſooner become independent than ſhe became inſolvent, or that her infant glories and growing fame were obſcured and tarniſhed by broken contracts and violated faith, in the very hour when all the nations of the earth were admiring and almoſt adoring the ſplendor of her riſing.

By the unanimous Order of Congreſs,

JOHN JAY, Preſident.

Philadelphia, September 13, 1779.